



March 31, 2020

**VIA ELECTRONIC FILING**

The Honorable Jocelyn G. Boyd  
**Public Service Commission of South Carolina**  
101 Executive Center Drive  
Columbia, South Carolina 29211

RE: Friends of the Earth and Sierra Club v. Dominion Energy South  
Carolina, Inc.  
Docket No. 2017-207-E

Request of the Office of Regulatory Staff for Rate Relief to Dominion  
Energy South Carolina, Incorporated's (f/k/a South Carolina Electric  
& Gas Company) Rates Pursuant to S.C. Code Ann. § 58-27-920 (See  
also Docket No. 2017-305-E)

Joint Application and Petition of South Carolina Electric & Gas  
Company and Dominion Energy Incorporated for Review and Approval  
of a Proposed Business Combination between SCANA Corporate and  
Dominion Energy, Incorporated, as May Be Required, and for a  
Prudency Determination Regarding the Abandonment of the V.C.  
Summer Units 2 & 3 Project and Associated Customer Benefits and Cost  
Recovery Plans

(This filing does not involve any change to the retail electric base rates  
of Dominion Energy South Carolina, Inc.)

Dear Mr. Boyd:

As the Public Service Commission of South Carolina ("Commission") is aware, Order No. 2018-804 approved, among other things, the merger between Dominion Energy, Inc. ("Dominion Energy") and SCANA Corporation. In furtherance of the merger, Dominion Energy South Carolina, Inc. ("DESC") has entered into a services agreement with The East Ohio Gas Company d/b/a Dominion Energy Ohio, Inc. ("DEOH") Under this agreement, DESC will provide and receive certain enumerated services on as as-needed basis. For the services that DESC intends to provide and for the services that DESC intends to receive, these services will be charged in

(Continued . . .)

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accordance with the provisions of Order No. 2018-804 as set for the services agreement.

Enclosed for filing only in the above-referenced dockets is a copy of the affiliate services agreement between DESC and DEOH. This agreement complies with all terms of the merger between SCANA and Dominion Energy required in Order No. 2018-804 as well as S.C. Code Ann. § 58-27-2090 (2015).

By copy of this letter, we are providing a copy of these agreements to the South Carolina Office of Regulatory Staff.

If you have any questions or concerns, please do not hesitate to contact us.

Very truly yours,



K. Chad Burgess

KCB/kms

Enclosure

cc: Jeffrey M. Nelson, Esquire  
Dawn Hipp  
(via electronic only)

## Services Agreement

This Services Agreement (this “Agreement”) is entered into as of the 1st day of January 2020 by and between THE EAST OHIO GAS COMPANY, dba DOMINION ENERGY OHIO, an Ohio corporation (“DEO”), and DOMINION ENERGY SOUTH CAROLINA, INC., a South Carolina corporation (“DESC”). Each party may hereinafter be referred to as a “Party” or collectively as the “Parties.”

WHEREAS, each of DEO and DESC is a direct or indirect wholly-owned subsidiary of Dominion Energy, Inc. (“Dominion”), a Virginia corporation and a “holding company” as defined in the Public Utility Holding Company Act of 2005 that is subject to regulation as such under that Act by the Federal Energy Regulatory Commission;

WHEREAS, DEO is a natural gas utility engaged in the sale of natural gas service within its service territory in Ohio;

WHEREAS, DESC is an electric and natural gas utility engaged in the sale of electricity and natural gas service within its service territory in South Carolina;

WHEREAS, each Party believes that it is in the interest of the Parties to provide for an arrangement whereby one Party (the “Receiving Company”) may, from time to time and at the option of the Receiving Company, agree to purchase such services as set forth in Exhibit I hereto from the other Party (the “Providing Company”) for their benefit.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

I. SERVICES OFFERED. Exhibit I hereto lists and describes all of the services that are available from the Providing Company. The Providing Company hereby offers to supply those services to the Receiving Company for the benefit of the Receiving Company. Such services are and will be provided to the Receiving Company only at the request of the Receiving Company. The Providing Company will provide such requested services using personnel from the Providing Company and, if necessary, from non-affiliated third parties in accordance with Section III herein. Each Party’s participation in this Agreement is voluntary and neither Party is obligated to take or provide services or make any purchases or sales pursuant to this Agreement.

II. INITIAL SERVICES SELECTED. Exhibit II lists the services from Exhibit I that (i) the Receiving Company hereby agrees to receive from the Providing Company, and (ii) the Providing Company hereby agrees to provide to the Receiving Company.

III. PERSONNEL. The Providing Company will provide services by utilizing the services of such executives, accountants, financial advisers, technical advisers, attorneys, engineers, geologists and other persons as have the necessary qualifications.

To the extent any non-Providing Company affiliated company personnel are required for the provision of a service to the Receiving Company, the Receiving Company will receive such service directly from the non-Providing Company affiliated company through its own approved services agreement. If the non-Providing Company affiliated company is not so authorized through its own approved services agreement with the Receiving Company, the non-Providing Company affiliated company will not provide services to the Receiving Company. Use of affiliated company personnel shall be subject to federal and state codes and standards of conduct, as applicable.

IV. COMPENSATION. As and to the extent required by law, the Providing Company will provide such services at cost.

The cost of rendering such services shall include: (1) a portion of the salaries and wages of employees of the Providing Company determined according to the time devoted by such employees to the performance of services hereunder for the Receiving Company; (2) the costs of such employees' benefits, payroll taxes, and compensated absences attributable to salaries and wages directly billed, as determined in accordance with Providing Company policies and procedures in place from time to time; (3) all other out-of-pocket operating costs, including expenses for transportation, tolls, and other expenses incurred by the Providing Company or its employees in connection with the performance of services under this Agreement; (4) the actual costs of materials and supplies furnished by the Providing Company in connection with the performance of services under this Agreement; and (5) administrative and general costs attributable to services performed under this Agreement (including reasonable amounts for general office maintenance and depreciation, amortization, and related taxes on the Providing Company's general plant investment) determined in accordance with the providing Company's policies and procedures.

The Providing Company shall render monthly statements to the Receiving Company for services supplied or to be supplied in the manner set forth above. Such statements shall include the costs of all services supplied hereunder during the preceding month and may include estimated amounts attributable to services which the Providing Company anticipates it will supply during the next succeeding calendar month. All statements so rendered will be due and payable ten (10) days after receipt thereof. To the extent that the Receiving Company owes intercompany payments or balances to the providing Company, and vice-versa, such payments or balances may be netted against one another, such that the net amount owed between the parties will be paid on a monthly basis from the one to the other, as applicable, subject to the terms of this Agreement.

V. EFFECTIVE DATE. Subject to Section VII (D), this Agreement is effective as of January 1, 2020 (the "Effective Date").

VI. TERM. This Agreement shall commence on the Effective Date and shall continue in full force and effect, upon the same terms and conditions, unless terminated by either Party pursuant to Section VII (C).

## VII. TERMINATION AND MODIFICATION.

A. Modification of Services. The Receiving Company may modify its selection of services at any time during the calendar year by giving the Providing Company written notice of the additional services it wishes to receive, and/or the services it no longer wishes to receive, in Exhibit I from the Providing Company. The requested modification in services shall take effect on the first day of the first calendar month beginning at least thirty (30) days after the Receiving Company sent written notice to the Providing Company.

B. Modification of Other Terms and Conditions. No other amendment, change, or modification of this Agreement shall be valid, unless made in writing and signed by all Parties hereto.

C. Termination of this Agreement. Either Party may terminate this Agreement by providing thirty (30) days advance written notice of such termination to the other Party.

D. Regulatory Approval. The effectiveness of this Agreement shall be subject to the approval of any state commission or other state regulatory body whose approval is, by the laws of said state, a legal prerequisite to such effectiveness.

VIII. NOTICE. Where written notice is required by this Agreement, said notice shall be deemed given when mailed by United States registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

a. To DEO:

The East Ohio Gas Company, dba Dominion Energy Ohio  
1201 East 55<sup>th</sup> Street  
Cleveland, OH 44103

With a Copy to:

Dominion Energy Services, Inc.  
Law Department  
120 Tredegar Street  
Richmond, VA 23219  
Attention: State Regulatory Team

b. To DESC:

Dominion Energy South Carolina, Inc.  
400 Otarre Parkway  
Cayce, South Carolina 29033

With a Copy to:

Dominion Energy Services, Inc.  
Law Department  
120 Tredegar Street  
Richmond, VA 23219  
Attention: State Regulatory Team

IX. GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws of Virginia, without regard to its conflict of laws provisions.

X. ENTIRE AGREEMENT. This Agreement, together with its exhibits, constitutes the entire understanding and agreement of the parties with respect to its subject matter, and effective upon the execution of this Agreement by the respective parties hereof and thereto, any and all prior agreements, understandings or representations with respect to this subject matter are hereby terminated and cancelled in their entirety and are of no further force and effect.

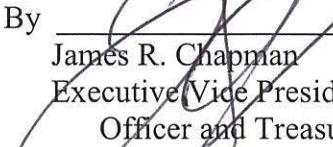
XI. WAIVER. No waiver by any Party hereto of a breach of any provision of this Agreement shall constitute a waiver of any preceding or succeeding breach of the same or any other provision hereof.

XII. ASSIGNMENT. This Agreement shall inure to the benefit of and shall be binding upon the Parties and their respective successors and assigns. No assignment of this Agreement or any Party's rights, interests or obligations hereunder may be made without the other Party's written consent, which shall not be unreasonably withheld, delayed or conditioned; provided, however, that, subject to the requirements of applicable state and federal regulatory law, either Party may assign its rights, interests or obligations under this Agreement to an "affiliated interest," without the consent of the other Party.

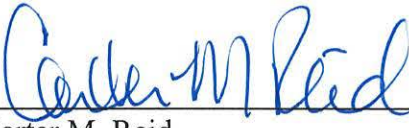
XIII. SEVERABILITY. If any provision or provisions of this Agreement shall be held to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall in no way be affected or impaired thereby.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed as of the date first above mentioned.

THE EAST OHIO GAS COMPANY, dba  
DOMINION ENERGY OHIO

By   
James R. Chapman  
Executive Vice President, Chief Financial  
Officer and Treasurer

DOMINION ENERGY SOUTH CAROLINA, INC.

By   
Carter M. Reid  
Executive Vice President, Chief of Staff  
and Corporate Secretary

## EXHIBIT I

### DESCRIPTION OF SERVICES THAT MAY BE OFFERED UNDER THIS SERVICES AGREEMENT

1. Accounting. Provide advice and assistance to the Dominion entity(ies) receiving services under this Agreement ("Dominion Companies") in accounting matters (development of accounting practices, procedures and controls, the maintenance of the general ledger and related subsidiary systems, the preparation and analysis of financial reports, and the processing of certain accounts such as accounts payable, accounts receivable, and payroll).

2. Auditing. Periodically audit the accounting records and other records maintained by Dominion Companies and coordinate their examination, where applicable, with that of independent public accountants. The audit staff will report on their examination and submit recommendations, as appropriate, on improving methods of internal control and accounting procedures.

3. Information Technology, Electronic Transmission and Computer Services. Provide the organization and resources for the operation of an information technology function (development, implementation and operation of a centralized data processing facility and the management of a telecommunications network, and the central processing of computerized applications and support of individual applications in Dominion Companies). Develop, implement, and process those computerized applications for Dominion Companies that can be economically best accomplished on a centralized basis. Develop, implement, and process information technology risk management services and services for the secure protection and transmission of critical and sensitive data.

4. Software/Hardware Pooling. Accept from Dominion Companies ownership of and rights to use, assign, license or sub-license all software owned, acquired or developed by or for Dominion Companies which Dominion Companies can and do transfer or assign to it and computer system hardware used with software and enhancements to which the Providing Company has legal right. Preserve and protect the rights to all such software to the extent reasonable and appropriate under the circumstances; license Dominion Companies, on a non-exclusive, no-charge or at-cost basis, to use all software which the Providing Company has the right to sell, license or sub-license; and, at the relevant Dominion Companies' expense, permit Dominion Companies to enhance any such software and license others to use all such software and enhancements to the extent that the Providing Company shall have the legal right to so permit.

5. Operations. Advise and assist Dominion Companies in the following matters relating to operational capacity: (i) the preparation and coordination of studying, consulting, planning, designing, managing, inspecting, engineering and construction of facilities of Dominion Companies, (ii) the planning, engineering (including maps and records), dispatch, gas control, storage, drilling, integrity management and measurement



operations of Dominion Companies, (iii) the performance of operations support services for generation, transmission, and nuclear functions, plant and facilities operation, compression, outage support, and maintenance and management services, (iv) the planning, formulation and implementation of load retention, load shaping and conservation and efficiency programs, and integrated resource planning for supply-side plans and demand-side management programs, (v) the provision and management of a training program for employees and/or contractors, including the management and maintenance of training records, and (vi) the provision of land services, including the drafting, management and maintenance of maps and land records; and the procurement, management and enforcement of land interests including easements, site agreements, and real property purchases/leases. (vii) develop long-range operational programs for Dominion Companies and advise and assist each such Dominion Companies in the coordination of such programs with the programs of the other Dominion Companies, subject to federal and state codes and standards of conduct, as applicable. (viii) manage Dominion Companies' purchase, movement, transfer, and accounting of fuel (including but not limited to natural gas, renewable natural gas, No. 2 oil, No. 6 oil, propane, jet fuel, biomass, coal and nuclear fuel) emission reduction products (including but not limited to lime, limestone, ammonia, urea, powered activated carbon) and gas volumes.

6. Executive and Administrative. Advise and assist Dominion Companies in the solution of major problems and in the formulation and execution of the general plans and policies of Dominion Companies. Advise and assist Dominion Companies as to operations, the issuance of securities, the preparation of filings arising out of or required by the various federal and state securities, business, public utilities and corporation laws, the selection of executive and administrative personnel, the representation of Dominion Companies before regulatory bodies, proposals for capital expenditures, budgets, financing, acquisition and disposition of properties, expansion of business, rate structures, public relationships and related matters.

7. Business Services. Perform: (i) general business support services (printing, mailing, records management and maintenance, and administrative and office services across the enterprise), (ii) office facilities operation (building maintenance and property management, lease/sublease management, and property sales services across the enterprise), (iii) security (physical security support, background investigations, and investigative services across the enterprise), (iv) travel (business-related ticketing, itinerary coordination, and reservations for airlines, train, rental cars, and hotels/lodging for Dominion employees), (v) aviation (maintenance, operations, and aviation-related services for corporate-owned aircraft), and (vi) fleet services (fleet systems support, management of the acquisition/disposal function, maintenance functions, and fleet management across the entire enterprise).

8. Corporate Planning. Advise and assist Dominion Companies in the research, study, testing and planning of operations, budgets, economic forecasts, industry developments, capital expenditures, innovation, sustainability, social contract initiatives and other special projects.

9. Supply Chain. Advise and assist Dominion Companies in the procurement of real and personal property, materials, supplies and services, conduct purchase negotiations, prepare procurement agreements and administer programs of material control.

10. Rates and Regulatory. Advise and assist Dominion Companies in the analysis of their rate structure in the formulation of rate policies, and in the negotiation of large contracts. Advise and assist Dominion Companies in proceedings before regulatory bodies involving the rates and operations of Dominion Companies and of other competitors where such rates and operations directly or indirectly affect Dominion Companies.

11. Environmental Compliance. Provide consulting, cleanup, environmental permitting, environmental compliance support, biological and chemical services, environmental reporting, and environmental compliance plan preparation as required by Dominion Companies to ensure full compliance with applicable environmental statutes and regulations. Track state and federal environmental regulations. Provide summaries and guidance for Dominion Company personnel to ensure ongoing compliance.

12. Customer Services. Provide services and systems dedicated to customer service, billing, remittance, credit, collections, customer relations, call centers, energy conservation support and metering.

13. Energy Marketing. Provide services and systems dedicated to energy marketing and trading of energy commodities, specifically the provision of all services related to emissions products, renewable energy products, environmental commodities (commodities derived from environmental attributes associated with qualifying types of generation that are required for compliance with applicable federal, state and local laws, as well as any voluntary additional reductions that the Company has elected to complete). Provide market, credit and operational risk management services and development of marketing and sales programs in physical and financial markets.

14. Office Space and Equipment. Provide use of land, buildings, furnishings, and equipment, and all costs related to these assets – i.e., property taxes, utilities, and maintenance.

**EXHIBIT II****SERVICES DESC AGREES TO RECEIVE FROM DEO**

SERVICE	YES	NO
1. Accounting	X	
2. Auditing	X	
3. Information Technology, Electronic Transmission and Computer Services	X	
4. Software/Hardware Pooling	X	
5. Operations	X	
6. Executive and Administrative	X	
7. Business Services	X	
8. Corporate Planning	X	
9. Supply Chain	X	
10. Rates and Regulatory	X	
11. Environmental Compliance	X	
12. Customer Services	X	
13. Energy Marketing	X	
14. Office Space and Equipment	X	

**SERVICES DEO AGREES TO RECEIVE FROM DESC**

SERVICE		YES	NO
1.	Accounting	X	
2.	Auditing	X	
3.	Information Technology, Electronic Transmission and Computer Services	X	
4.	Software/Hardware Pooling	X	
5.	Operations	X	
6.	Executive and Administrative	X	
7.	Business Services	X	
8.	Corporate Planning	X	
9.	Supply Chain	X	
10.	Rates and Regulatory	X	
11.	Environmental Compliance	X	
12.	Customer Services	X	
13.	Energy Marketing	X	
14.	Office Space and Equipment	X	